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MONTANA Industrial Horizons
STATE PLANNING BOARD MARCH, 1963

Growth Prospects Good for State's Cattle Feeding Industry

In the past several years much attention has been directed toward expansion of feedlot operations in Montana. Statistics from the Montana Crop and Livestock Reporting Service shown below do not show a consistent increase in this industry, however. Lower prices and a shortage of grain resulting from the drought in 1961 undoubtedly contributed to the decline in 1961 and 1962.

Several over-all favorable reports by Montana State College professors on the potential of cattle feeding in Montana which have been published recently may encourage more investment and expansion in this area of agriculture.

NUMBER OF FED CATTLE MARKETED
(in thousands)

	Jan.-Mar.	Apr.-June	July-Sept.	Oct.-Dec.	Total
1959	39	28	17	15	99
1960	34	30	28	23	115
1961	34	29	28	22	113
1962	35	27	23	15	100

In 1961 **The Economics of Cattle Feeding,** a survey of the potentials for expansion of beef cattle feeding in the Triangle Area of northcentral Montana but valid for the entire state, concluded that in terms of availability of cattle and feed Montana has a tremendous potential for expansion.

Clive R. Harston, of the MSC Department of Agricultural Economics, in his report **An Estimate of the Economic Impact of Doubling Cattle Feeding in Montana,** estimated that a 100 percent increase in cattle feeding in Montana would result in an instate market for Montana feeder cattle worth $18,500,000, and an additional sale of $28,000,000 gross when the fed cattle were sold. (Presently only about 7 per cent of the calves produced in the state each year are fattened in the state.) An additional $9,500,000 would be added to the value of the livestock fed. About $2,500,000 of this would accrue to labor and management, $5,000,000 would be paid for feed and the remaining $2,000,000 would be payment for non-feed costs such as payment for capital used. If this doubling expansion were accompanied by expanded slaughter to handle the additional fed cattle, it might result in an expansion of $60,000,000 in gross receipts from marketings as cattle and feed were sold to the feeders, again to the packers and finally to distributors.

The latest report concerns **Cattle Feeding in the Northern Great Plains** and was written by Warren L. Trock, also of the Department of Agricultural Economics. The report was commissioned by the Upper Midwest Research and Development Council for the purpose of considering cattle feeding based upon regionally produced feed grains as an alternative for restricted wheat production.

Trock concludes: "Evaluation of the factors and conditions which will influence cattle feeding in the Northern Great Plains points to the conclusion that cattle feeders in the region can be competitive in some, if not all, markets for fed cattle. There are some problems of organization and management of cattle producing enterprises which must be solved, there are some limitations to markets available to cattle feeders in the region, and there is the ever-present problem of the cost price squeeze which must be faced. But there are resources in the region which are available for utilization in cattle feeding, and there are prospects for their profitable employment in feeding enterprises."

Highlights of his study which lead to this conclusion follow.

Feed Cost Advantage

Feed grains are relatively low-priced in Montana, North Dakota, and South Dakota, and feeder cattle were found to be no more costly in this region than in other cattle feeding areas. It is expected that prices for feed grains in the Northern Great Plains will continue to be lower than those in the Midwest, South and West. Such feeds are valuable in the region in quantities which will support an expansion in feeding operations.

Other costs of feedlot operations appeared to be similar to those in other regions when comparable enterprises were compared.

There appear to be some real opportunities for cost reductions in existing feedlots. Increases in size and better utilization of plants and facilities will reduce per-head costs.

Opportunity Seen In West Coast Markets

West Coast markets are increasing as population grows and more fed cattle are needed to meet consumer demands for beef. Cattle are now being imported for slaughter from several of the intermoun-

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Darlinton Named State Engineer

Everett Darlinton, assistant director, who has been on the staff of the State Planning Board since 1958, resigned recently to become State Engineer. He was appointed to the position by Governor Tim Babcock upon the retirement of Fred Buck. Since the State Engineer also serves as a member of the 5-man State Water Conservation Board and State Planning Board, which have identical memberships, Darlinton will continue to be a valued associate in an advisory capacity.

Feed Pelleting Mill Built at Bridger

A new alfalfa and grain pelleting mill for producing both wintering pellets and fattening pellets has been constructed near Bridger in Carbon County and is in operation.

Earl L. Collins, owner of the new Collins Feed and Seed plant, selected this particular location because of the abundance of locally grown alfalfa and other hays and grains. Collins uses sun-cured alfalfa from the Clark's Fork River Valley around Bridger, and from the Rock Creek Valley west of Bridger.

According to Collins, feed products manufactured are being marketed in Montana and surrounding states under the trade name "Alfa-Cubes" and include a complete line of feed for cattle, hogs, sheep and horses. The two general types of feed produced are range cubes consisting of alfalfa, barley, molasses, and concentrate, and a complete line of feedlot cubes supplied to specifications.

The apporximate 24-hour capacity of the mill is 100 to 150 tons per day depending on the type of cubes manufactured. The plant will employ up to 15 people when operated at full capacity.

Collins and his wife, Mary, formerly were engaged in farming near Fort Benton.

Pemanente Cement Plant Dedicated

Dedication of Permanente Cement Company's new $10,000,000 plant at Montana City took place March 8 and the facility was put into production the same day. The plant has been under construction for the past 13 months.

Present for the opening ceremonies were Edgar F. Kaiser, chairman of the board, and Wallace A. Marsh, president of Permanente. Governor Tim Babcock welcomed them to the state and presented them with traditional western hats.

Edgar F. Kaiser, Chairman of the Board of Permanente Cement Co., points out the quarry of Permanente's new Montana City plant to Governor Tim Babcock. At left is Wallace A. Marsh, Permanente President. The trio stopped to look over the $10,000,000 facility during a dedication tour of the cement plant. In the background are the silos, kiln and stack of the ultra-modern facility.

At the dedication ceremonies a bronze tablet to be permanently affixed to the plant structure was lifted from an authentic Wells-Fargo strong box once used to transport gold on stagecoach lines. The old gold chest has been the theme of Permanente's introduction program to the Treasure State.

Sales territory for the new plant will be Montana, Wyoming, North Dakota and Idaho. Permanente views the market as a healthy one and forecasts an increasing rate of cement consumption in the years to come. "The Montana City plant was planned only after exhaustive studies showed a strong potential of Montana growth and an increase in the future cement needs of the Treasure State and surrounding areas," declared President Marsh.

The "wet process" which Permanente is using in their Montana plant is the most modern yet devised. It is accomplished by complex machines and electronic equipment, utilizing high grade limestone quarried at the plant site. The 450-foot rotary kiln for calcining a liquid blend of limestone and other raw materials is one of the largest pieces of moving machinery in the world. It consists of 21 steel sections joined together and lined with heavy refractory brick. Four closed-circuit television systems enable operating engineers in the plant's central control room to observe strategic functions at several distant points and to spot trouble quickly and easily. Dust control is assured by an electrostatic precipitator and twelve collection devices. The system will collect and return to the manufacturing cycle 11 tons of dust daily that would otherwise escape into the atmosphere.

The plant has a capacity of 1,400,000 barrels of cement (5,600,000 sacks) annually. The Montana plant is Permanente's fifth cement-making plant. Others are located at Bellingham, Wash., San Jose and Cushenbury, Calif., and at Honolulu, Hawaii.

Manager of the new plant is Paul J. Deutschman, a native of Holland. He was formerly manager of the San Jose plant.

Planning and Zoning Laws Passed

Governor Tim Babcock has signed into law two bills passed by the 1963 legislature concerning urban planning and zoning.

One act enables boards of county commissioners to initiate zoning of suburban areas in counties where city-county planning boards have recommended comprehensive plans for community growth. The new legislation was designed to meet legal objections to 1959 statutes which gave general zoning authority to boards of county commissioners.

Basic provisions of the act are:

- 1. The city-county planning board shall act as a zoning commission to the board of county commissioners and shall recommend boundaries and regulations for zoning districts in accordance with the adopted master plan.
- 2. The board of county commissioners shall give notice and hold a public hearing on each zoning district.
- 3. After the hearing, and possible revisions, the board of county commissioners may pass a resolution of intention to create a zoning district and to adopt zoning regulations.
- 4. The board of county commissioners shall give notice of passage of a resolution of intention and shall state boundaries and general character of proposed zoning regulations.
- 5. For a period of 30 days, the board of county commissioners will receive written protests to creation of the zoning district from owners of the real property within the district.
- 6. If 40 percent of the owners of the taxable valuation protest, the zoning district fails and it cannot be proposed again for a period of one year.
- 7. If the district passes, the board of county commissioners shall appoint a 5-member board of adjustment (usually members of the planning board) who can grant variances to the zoning regulations, where appropriate.
- 8. Appeals from rulings of the board of adjustment can be taken to the courts.
- 9. A violation of the zoning ordinances shall be punishable by a fine not to exceed $500 or imprisonment in the county jail for a period not to exceed six months, or both.
- 10. Existing, lawful, nonconforming uses at the time of adoption of the zoning regulations cannot be prohibited and the act does not apply to land used for agricultural, mineral, or forest purposes.

Another law amends existing city-county planning statutes to clarify the legality of joint city-county planning efforts and specifies the purely advisory role of planning boards.

The amendments provide that:

1. All present powers or assumptions of authority by planning boards have been stricken from the act and henceforth planning boards will be strictly advisory to elected officials (city councils and boards of county commissioners).

2. A city planning board will still have 7 members (3 of whom may be county residents.)

3. A city-county planning board will still have 9 members (5 of whom may be county residents—3 must be county residents).

4. A tax not to exceed 1 mill may be levied on the jurisdictional area (city area by the council and county area by the board of county commissioners).

5. Plat regulations apply only within the city limits and the city council receives recommendations on plat acceptance from the planning board.

6. The jurisdictional area shall not extend more than 4½ miles beyond the city limits and must bear reasonable relation to the development of the city.

7. After the planning board prepares a master plan and proposes it to the governing bodies, the governing bodies shall give notice and hold a public hearing on the plan.

8. After the hearing, and possible revisions, the governing bodies may adopt the master plan.

Copies of the new legislation may be obtained from the State Planning Board.

New Foods From Wheat

Stanford Research Institute has developed a variety of new and potentially marketable foods made from wheat. These products include "wheat chips", similar to potato chips, wheat candies, a quick-cooking wheat that tastes like wild rice, and a wheat-and-pea flour that approximates the balanced protein value of meat. The study has been sponsored by the Idaho Wheat Commision.

Maine-Florida Swap Sports

The January newsletter of the Maine Department of Economic Development tells of a unique promotional exchange which brought a group of Floridians up to enjoy a week's winter vacation in the Sugarloaf ski area, and the Maine swappers were about to emplane for Florida.

Maine's Governor Reed sent personal greetings, and they were plied with a lobster bake, a chicken barbecue, and a sugar-on-snow party hosted by various state agencies and industrial associations. Only two inn keepers profited by providing accommodations for the party, but others contributed toward the festivities just the same. Six of the Florida group have already made reservations to return next winter for the Christmas holidays.

Original sponsors of the scheme were a newspaper in Maine, one in Florida, and Northeastern Airlines. They called it "Operation Snowbird."

In the News . . .

American Crystal Sugar Co. has announced an increase in production of 40 per cent at their **Missoula** plant. Annual run of the mill will be lengthened to nearly four months, with an increase in payroll of some $200,000. Growers in the Othello, Wash., area, where the growing season is longer, will supply some 30,000 acres of beets, to be added to about 8,000 now being processed in the Missoula mill.

* * *

Empire Steel Manuf. Co., a new Montana corporation, has purchased the **Billings** plant and **Great Falls** warehouse facilities of Eaton Metal Products Co., steel fabricators and distributors.

* * *

The **Simple Siphon,** a radically improved system to tap beer kegs, is the invention of Mack S. Johnston of **Kalispell.** It is made of plastic, preserves a keg's seal until it is returned to the brewery, and thus assures contamination-free beer from the first glass to the last. It is designed to be installed in existing beer kegs without modification, and consists of two units—a keg unit which stays in the keg permanently and a hook-up unit which enables the bar operator to tap the keg into his draft beer dispenser with a few hand twists of the adapter. Great Falls Breweries, Inc. has exclusive rights to the use of the Simple Siphon in Montana, Idaho and Wyoming. The Carlin Brewing Co. in Washington will also use the new siphon. Johnston says that several firms have been interested in the invention but that this is the first nation-wide brewery to switch over to the new process.

* * *

The Missoulian has published a picture supplement called "Vacation Wonderland—Western Montana" containing 24 pages of magnificent photographs illustrating the scenic grandeur to be found in Western Montana. Price 25c from the Missoulian, P. O. Box 1535, Missoula, Montana.

Dr. Renne Appointed To Agriculture Dept.

Dr. R. R. Renne, president of Montana State College and a member of the advisory council of the State Planning Board, has been appointed assistant secretary of agriculture for international affairs by President Kennedy. He is on a year's leave of absence from MSC. Dr. Renne will be in charge of the Department of Agriculture's international relationships, particularly in the field of farm exports.

Dept. of Commerce Trade Information Available Through State Planning Board

The State Planning Board has entered into a cooperative agreement with the U. S. Department of Commerce to assist businessmen in the use of trade development facilities of the department.

Governor Babcock is pictured above accepting a certificate formalizing the arrangement from E. G. Booth, manager of the Department of Commerce Field Office in Minneapolis.

Reports on population, housing, retail and service trades, manufacturing and agriculture have been forwarded to the Board's office from Minneapolis. Special information can be obtained on foreign trade, business operation, marketing, manufacturing, area development, government contracts, technical engineering problems, patents, and many other business problems. Under the agreement, the Board can refer specific inquiries to the Minneapolis office of the U. S. Department of Commerce where they will be individually handled by trained technicians.

CATTLE FEEDING

(Continued from page 1)

tain and southwestern states. **While costs of cattle fed in the Northern Great Plains and shipped to the coastal markets are rather high, they do not appear to exceed costs associated with marketing fed cattle from most other western feeding areas. Los Angeles packers have imported cattle from as far east as Texas, Colorado, Wyoming, and Montana, and it is known that two packers in Montana ship dressed beef to California regularly.**

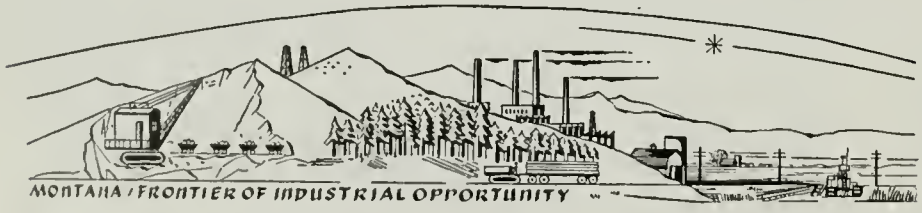
Development of cattle feeding will depend in part also on overcoming the seasonality of feeder and fat cattle which is now typical of the area. In Montana and the Dakotas selling of feeder cattle is concentrated in the months of September, October, and November.

Most slaughter operations are now predicated on a regular and continuing supply of high quality fed cattle. **The solution depends on better organization of cattle production and feeding activities, with much more year-around feeding in farm and commercial lots.**

Changes in the meat packing industry of the region can be expected. **Packers will surely attempt to expand their operations. . . There is a distinct possibility that new firms may locate in Montana, North Dakota and South Dakota and that one or more of the bigger packers may establish plants in the region.** (Mr. Trock reports that Swift and Morrell have shown a great deal of interest in this study.)

If existing packing plants should expand operations in the region, or if the major companies should open new facilities, outlets not now available to cattle feeders would be created. . . . The actions of packers should be watched carefully because they are an integral part of the beef cattle industry and they may be the important link to inter-regional markets needed for maximum development of cattle feeding.

With a rapidly expanding population and moderate increases in per capita consumption of beef, the demand for fed cattle will be significantly increased by 1975. Opportunities for increased marketing of fed cattle will exist, and expansion for feeding activities will certainly take place in many areas as feeders attempt to exploit these opportunities. There is a distinct possibility that cattle feeders in the Northern Great Plains can claim a share of these expanded markets.



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